NAPSNet Daily Report 04 June, 1998

Recommended Citation

"NAPSNet Daily Report 04 June, 1998", NAPSNet Daily Report, June 04, 1998, https://nautilus.org/napsnet/napsnet-daily-report/napsnet-daily-report-04-june-1998/

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I. United States

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1. DPRK Agricultural Reform

The Associated Press (Robert H. Reid, "N.KOREA TAKES FREE MARKET STEPS," United Nations, 06/03/98) reported that, in a plan developed by the DPRK and the UN Development Program (UNDP), the DPRK has agreed to relax central control of its agriculture industry and allow small farmers to sell some of their crops in a free market. The DPRK is asking for US$300 million to implement the plan. Christian Lemaire, the UNDP representative to the DPRK, stated, "It's a different picture which is emerging. [The DPRK] acknowledge changes they have to make." Lemaire said that the reforms include allowing agricultural cooperatives to trade among themselves, developing a system of small-scale credits, and permitting private households to develop small-scale commerce. He added that the degree of cooperation between DPRK and UN officials had improved dramatically over the last two years as more international attention has been directed at the DPRK.

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2. Korean-American Arrested in DPRK

The Associated Press ("PASTOR MAY FACE N.KOREA SPY CHARGES," Seoul, 06/03/98) reported that the ROK's Joongang Daily News on Thursday quoted an unidentified ROK official as saying that Lee Kwang-duk, a 73-year-old Korean-American Christian minister from Los Angeles, was arrested on spy charges shortly after entering the DPRK by way of the PRC on May 20. Lee was visiting his relatives in the Rajin-Sonbong free trade area when he was arrested.

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3. ROK Financial Crisis

The Associated Press ("S KOREA'S PRES KIM ORDERS CRACKDOWN ON CONGLOMERATES," Seoul, 06/04/98) reported that ROK President Kim Dae-jung on Thursday ordered bankers to include the most heavily indebted subsidiaries of chaebols in a list of companies that will be forced to close later this month. The government had ordered the country's leading banks to come up with a list of companies so deeply in debt they are no longer viable and then shut them down by calling in their old loans and refusing to provide new ones. The banks on Thursday submitted a list of 20 companies to be liquidated, all of them relatively small and none owned by a chaebol.

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4. PRC Arms Sales to Pakistan

The Washington Times (Bill Gertz, "CHINESE SHIP ARMS PARTS TO PAKISTAN," 06/04/98) reported that US intelligence agencies are tracking a Chinese ship carrying weapons materials and electronics for Pakistan's major nuclear weapons laboratory. The arms materials include special metals and electronics used in the production of PRC-designed anti-tank missiles made by the A.Q. Khan Research Laboratories. An anonymous US government official was quoted as saying, "This shows the Chinese are continuing to sell weapons with little regard for their impact on the region. China is acting as a force for destabilization." Another unnamed US official stated, "This is part of continuing Chinese military assistance to the Pakistanis and is for long-term use of indigenous weapons production." He added that the metal and electronics are part of Pakistan's program to build the Baktar Shikhan anti-tank missiles, a wire-guided missile that is virtually identical to the PRC's Red Arrow 8 guided-missile weapon. US officials said they do not believe that the current PRC shipment is related to Pakistan's nuclear arms program.

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5. PRC-Indian Relations

Reuters ("INDIA SAYS NOT SEEKING CONFRONTATION WITH CHINA," New Delhi, 06/04/98) reported that an unnamed Indian foreign ministry spokesman said on Thursday that India was not seeking a confrontation with the PRC. However, he added, "India has legitimate security concerns. There are nuclear weapons and missiles in our region. The clandestine proliferation in our neighborhood has a well- documented history." The spokesman said that India's tests posed no threat to any country and that India was committed to the total elimination of nuclear arms in "a time-bound framework on a comprehensive, universal, non-discriminatory and effectively verifiable basis."

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6. Five-Power Meeting on South Asian Nuclear Tests

Reuters (Carol Giacomo, "ALBRIGHT LAYS OUT US GOALS AT NUCLEAR MEETING," Geneva,

06/04/98) and the Associated Press (John Diamond, "DIPLOMATS MULL INDIA-PAKISTAN NUKES," Geneva, 06/04/98) reported that US Secretary of State Madeleine Albright on Thursday arrived in Geneva for talks with the foreign ministers from the four other traditional nuclear powers on the recent South Asian nuclear tests. Albright planned separate bilateral discussions with her counterparts from the PRC and Russia ahead of the multilateral meeting. US officials said that a key concern of Albright is making sure that traditional Russian support for India and PRC support for Pakistan do not prevent the five powers from producing a strong joint statement. She stated, "Our message to India and Pakistan must be that there should be no further nuclear testing; no deployment or testing of missiles; no more inflammatory rhetoric; and no more provocative military activity." She said that the world must "walk a fine line" in condemning the actions of India and Pakistan without isolating them.

Reuters ("POWERS TO REFUSE INDIA, PAKISTAN NUCLEAR STATUS-US," Geneva, 06/04/98) reported that an unnamed senior U.S. official said that the five traditional nuclear powers will reject calls for India and Pakistan to be formally acknowledged as nuclear states when they issue a joint communique following their meeting in Geneva. He added that the communique is also expected to "dramatize" the problem of the disputed region of Kashmir and urge that "something be done about it in a more clear and explicit way than has ever been done before." However, he added that while the five are willing to "help solve this problem," that is expected to come in an offer to work on confidence-building measures between the two parties rather than a direct mediation role.

The United States Information Service (William B. Reinckens, "EXPERTS AGREE FURTHER NUCLEAR TESTS SHOULD STOP ON SUBCONTINENT," Washington, 06/03/98) reported that a panel of South Asian and arms control analysts convened by the Center for Strategic and International Studies (CSIS) on June 3 agreed on the need for a "cooling-off period" between India and Pakistan and expressed hope that the five permanent members of the UN will be able to make progress in that direction. Dr. Gary Samore, Special Assistant to the President and National Security Council Director for Nonproliferation, stated, "The Perm 5 can use their particular diplomatic advantages to pursue a common objective." He added that inducing India and Pakistan to sign the Comprehensive Test Ban Treaty (CTBT) "would be a very effective first step." Samore argued, "The need is to reinforce the perception that India and Pakistan will suffer a net loss [through nuclear testing]. It will tarnish their image and put them in the International doghouse." Kurt Campbell, deputy assistant secretary of Defense for East Asian and Pacific Affairs, stated, "We have entered into a new era in the discussion about nuclear matters." He added that for diplomacy to work in the Indo-Pakistan nuclear context, it has to be worked out through coalition building and that a unilateral approach would not work. US Senator Charles S. Robb, the ranking Democrat on the Foreign Relations subcommittee on Near Eastern and South Asian Affairs, said that "over the longer term, I believe a series of confidence building measures, designed to restore a semblance of order and stability in the region, ought to be aggressively pursued by the [Clinton] administration to stem the tide of growing discord between India and Pakistan."

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7. Pakistani Nuclear Policies

Dow Jones Newswires ("PAKISTAN FOREIGN MIN WANTS MEDIATION IN INDIA TALKS - KYODO," Islamabad, 06/04/98) reported that Pakistani Foreign Minister Gohar Ayub Khan told Japan's Kyodo News Agency Thursday that Pakistan would prefer talks with India on the Kashmir issue through mediation by a third party rather than bilaterally. Khan stated, "Our experience of bilateral talks with India is not good. India has a history of breaching bilateral agreements." He said Japan was in a good position to play a role in the talks. Khan also ruled out the possibility of Pakistan unilaterally signing the Comprehensive Test Ban Treaty and noted Pakistani intelligence reports that India was

planning to carry out another nuclear test. He said that Pakistan has not yet reached a decision about fitting nuclear warheads to missiles but said the devices that were tested May 28 and 30 were compatible with Pakistan's delivery system. He also denied reports that Pakistan had received cooperation and technology from the PRC and the DPRK for its missile and nuclear program.

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8. US-Russian Confidence-Building Measures

The Associated Press ("U.S. MISSILE CHIEF TOURS RUSSIAN WEAPONS SITES," Moscow, 06/04/98) reported that US General Eugene Habiger and Russian Colonel General Vladimir Yakovlev, the commanders of their countries' respective strategic nuclear forces, toured a Siberian missile facility together on Thursday as part of a week-long confidence-building trip. The tour follows a similar visit to Russia by Habiger last October, and a visit to the US by Yakovlev in March. The trips are designed to foster trust between the two strategic commands.

The NAPSNet Daily Report aims to serve as a forum for dialogue and exchange among peace and security specialists. Conventions for readers and a list of acronyms and abbreviations are available to all recipients. For descriptions of the world wide web sites used to gather information for this report, or for more information on web sites with related information, see the collection of other NAPSNet resources.
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